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July 3, 2014

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DIV. OF OIL, GAS & MINING

Mr. John Baza, Division Director
Division of Oil, Gas and Mining
Department of Natural Resources
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Mr. Paul Baker, Minerals Mining Manager
Division of Oil, Gas and Mining
Department of Natural Resources
P.O. Box 145801
Salt Lake City, Utah 84114-5801

**Re: American Sands Energy Corp./Green River Resources, Inc.; Notice of
Intention to Commence Large Mining Operations; Bruin Point Mine -
M0070040**

Gentlemen:

This office represents American Sands Energy Corp. and Green River Resources, Inc., proponents of the Bruin Point Mine in Carbon County, Utah. As you know, the proposed mine is for development of a substantial oil sands deposit using underground mining methods and state of the art recovery processes.

This letter is intended to respond to some of the issues raised with you by Robert Schonlau, Nancy Schonlau, William Batchelder and Karl Ohland, who appear to be co-owners with Green River Resources, Inc. of an interest in the surface and mineral estates in a portion of the project lands. At the outset, we believe that the role of the Division of Oil, Gas and Mining in this matter does not include adjudicating the rights of private landowners. Rather, it is to make sure that the mine operator complies with the reclamation requirements of Utah law. Nevertheless, my clients have asked me to respond to the correspondence directed to you in order to clarify the basis for their right of entry on the lands involved and their ability to conduct operations on such lands.

In the first place, the rights of a cotenant in real property under Utah law and under the law of most other states are not ones of "majority rules." In other words, a cotenant in the surface or mineral estate may use the estates for its purposes and does not have to get permission from the other co-owners for such use. The main attribute of cotenancy is unity of possession, meaning that each cotenant has an equal and undivided right to possess and enjoy the entire

July 3, 2014
Page Two

property. Thus, regardless of the size of the fractional interest owned (e.g., 1% or 99%), each cotenant has the right to occupy and enjoy the entire property. As noted above, we are not seeking to have the Division adjudicate these rights, but point them out simply to demonstrate that my clients are confident that they have the property rights needed to proceed with the proposed operation once approved by the Division.

Second, I am advised by my clients that they have approached the Schonlaus on several occasions about leasing their directly and indirectly held interests in these lands. Unfortunately, the Schonlaus have not accepted my clients' offers. Concurrently with delivery of this letter, my clients are inviting the Schonlaus to renew negotiations and the other co-owners to initiate negotiations for development of the entire mineral estate in the subject property. If agreements cannot be reached with some or all of the co-owners, my clients understand that, under the laws of cotenancy of the mineral estate, compensation or some other form of recognition of the other co-owners' rights might be due for their proportionate shares of minerals produced from the lands. With respect to the surface estate, no compensation is due among cotenants. As noted above, each has the right to use the entirety of the property. In this regard, we note that the use of the surface of this tract by my clients will be relatively small and will not be disproportionate to their ownership interests in the surface estate. In addition, because in Utah (as in most other states) the mineral estate is dominant, the holder of an interest in the mineral estate is entitled to use the surface estate whether or not the holder has any interest in the surface estate. Finally, the proposed uses of the surface estate will ultimately be reclaimed and will not, to our knowledge, interfere with any use of the surface being made by the Schonlau group or any of the other co-owners.

With respect to the final point raised by the Schonlau group and others, we understand that they will be entitled to review and comment on the application once it is deemed complete by the Division. We will be pleased to respond to their comments at that time to the extent they go to the merits of the application.

Thank you and please call me if you have questions about this letter.

Very truly yours,



Stephen Hull

cc: Thomas R. Karrenberg, Attorney for Robert Schonlau,
Nancy Schonlau and Resource Associates, LLC

Karl J. Ohland, Trustee, Helene E. Richards Trust

William Batchelder, President, Oil Sands Corporation